

Public Hearing – February 27, 2023 Environment Committee

Testimony Submitted by Commissioner Katie S. Dykes

House Bill No. 6664 – An Act Managing Waste and Creating a Waste Authority

Thank you for the opportunity to present testimony regarding House Bill No. 6664 – An Act Managing Waste and Creating a Waste Authority. The Department of Energy and Environmental Protection (DEEP) **strongly supports** this bill. This package of proposals continues the Governor's vision of moving the state to a sustainable, affordable waste management system.

Current state statute (Sec. 22a-228(b)) sets a solid waste hierarchy with the following order of priority: source reduction; recycling; composting of yard waste or vegetable matter; bulky waste recycling; resource recovery or waste-to-energy plants; and incineration and landfilling. This bill reflects the legislature's directed priorities and establishes the mechanisms to fulfill that vision. The bill uses four major strategies to achieve this vision: (1) restoring "self-sufficiency" in Connecticut's waste sector, namely the ability to manage in-state the Municipal Solid Waste (MSW) generated within the state's borders, to achieve more predictable, affordable waste management costs for years to come; (2) maximizing scalable, affordable programs and policies for reducing, recycling and diverting recyclables and organic material from the MSW disposal stream as the first priority in restoring self-sufficiency; (3) enabling municipalities to strategically invest in waste infrastructure to manage the remaining MSW tonnage after diversion and reduction opportunities have been maximized; and (4) committing to a clear path forward for remaining MIRA assets, including the MIRA South Meadows site in Hartford.

The average tipping fees for MSW disposal in Connecticut have nearly doubled from 2012 to 2022, rising from \$60.90/ton to \$102.50/ton.¹ Tipping fees for municipalities are projected to increase even more quickly as contracts expire and in-state waste disposal capacity does not match the state's disposal needs. Additionally, market conditions which drive costs for recycling can be volatile. In 2022, for example, the Housatonic Resources Recovery Authority's recycling costs tripped from \$44.81 per ton to nearly \$2 per ton from January to October.³

House Bill No. 6664 provides a multi-pronged approach to these issues by prioritizing high-impact, affordable options for reducing waste and diverting recyclable and organic material from the waste stream, and then providing a road map for expanding disposal infrastructure in-state to

³ https://www.wiltonbulletin.com/news/article/Recycling-fees-nearly-triple-Wilton-17494236.php











¹ For more information, see page 12 of the <u>Draft Amendment to the CMMS</u>.

address the waste that otherwise does not have a place to go. Connecticut cannot continue with the business-as-usual approach to materials management. Significant change is required to maintain reasonable costs for residents and municipalities, prioritize reduction and diversion consistent with the statutory waste management hierarchy, and minimize the environmental impact from the disposal of the waste generated in Connecticut. DEEP stands ready to work with the legislature on refinements to this and other approaches to catalyze investment in innovative materials management infrastructure.

Waste Reduction, Recycling and Organics Diversion Must Be the First Priority in Restoring Self-Sufficiency

Diversion Strategy 1: Extended Producer Responsibility (EPR) for Packaging

- Divert up to 190,000 tons per year from the waste stream
- *Save municipalities \$50 million annually*

Section 1 of House Bill No. 6664 proposes an Extended Producer Responsibility (EPR) program for packaging that will make significant improvements to the recycling system, removing more recyclable materials from the waste stream and incentivizing manufacturers to use packaging that is more recyclable. Connecticut already has successful EPR programs for hazardous, unsafe, or difficult to dispose of items such as electronics, paint, mattresses, and mercury thermostats and the State has enacted EPR for gas cylinders (Public Act 22-27)As of 2022, four states – Maine, Oregon, Colorado, and California – have enacted laws enabling packaging EPR. Many other states – including our neighbors in New York – are introducing or have introduced packaging EPR bills in 2023. EPR programs shifts the financial and management responsibility for products away from governments and taxpayers, and back the producers of those products. A packaging EPR program would align well with the statutory waste hierarchy.

DEEP is also extremely sensitive to the cost burdens of low-income residents and communities of color. The nearly 100% increase in tip fees and volatile recycling costs burden municipal budgets and mill rates. Those costs don't include, not to mention the environmental and health impacts of living adjacent to waste disposal facilities (most of which are located in or adjacent to environmental justice communities).

DEEP estimates that EPR for packaging would save municipalities an estimated \$50 million in recycling expenses by shifting those costs to producers. Nearly 60% of waste currently disposed could be recycled or composted (and additional material could be recycled if source-separated, such as electronics). Approximately 20% of all disposed MSW consists of recyclable materials, including containers, paper/cardboard, and plastics. Under this framework, municipalities will have three options: 1) shift the management of their recycling program to the stewardship organization; 2) maintain operational control of their recycling program but be reimbursed by the stewardship organization for their costs; or 3) opt out of the program. The bill would not change the method in which recycling is collected – residents will still put their recyclables out at the curb or take them to the local transfer station – but would simply change who funds that collection.

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⁴ 2015 Connecticut Statewide Waste Characterization Study <u>2015 Statewide Waste Characterization Study</u>

DEEP also estimates that EPR for packaging can reduce Connecticut's need to export up to 190,000 tons annually when the program is fully implemented, bringing us closer to self-sufficiency. This estimate is based on the materials currently in the MSW stream and the actual recycling rates realized by European and Canadian jurisdictions that have implemented EPR.

<u>Diversion Strategy 2 – Accelerate Organics Diversion</u>

- Provide universal access to source separated food scraps collection
- Add "institutions" to Commercial Organics Recycling Law
- Divert up to 185,000 tons per year from the waste stream

Approximately 22% (or 500,000 tons) of the MSW tonnage that Connecticut pays to incinerate or bury in landfills each year constitutes food scraps—heavy, wet organic material that is valuable if diverted from disposal. Food scraps constitute nearly a third of recyclable solid waste. Connecticut currently hosts a variety of organics processing facilities around the State, with existing potential capacity of almost 330,000 tons per year. And yet, DEEP estimates that fewer than 12,000 tons of Connecticut-generated food scraps were diverted to these facilities in 2021. In other words, we have an abundance of available capacity today to process food scraps in-state. A base estimate of 170,000 tons of capacity is needed to meet what is currently thrown into the waste stream.

Sections 4-7 and 9 of the proposed bill focus on just that, accelerating organics diversion. Accelerating organics diversion— through food waste reduction, greater participation in organics programs, and expansion of convenient, reliable waste diversion services—has the potential to divert another 185,000 tons per year of organic material. Section 5 provides universal access to source separated food scraps collection for all residents and businesses by 2028. Feducation and awareness, and incentives or rewards for diversion.

Section 7 expands the scope of the Commercial Organics Recycling Law. Other states in the northeast, including Rhode Island, Massachusetts, and Vermont, include additional organics generators. Expanding Connecticut's Commercial Organics Recycling Law to cover additional commercial generators, such as the ones that are covered in other northeast states, could result in an additional 60,000 tons per year of food waste being diverted from the MSW stream.

This bill proposes to reconfigure the state's solid waste assessment to apply broadly to all solid waste disposal and allocate a portion of those fees to supporting future suitability initiatives. House Bill 6664 importantly recognizes the need for state sustainability and removes the incentive to export waste out of state by applying the State's waste assessment fee universally (as opposed to the current fee applied only to in-state waste streams). Section 8 would implement a fee of \$5.00 per ton of MSW at commercial transfer stations and volume reduction plants for exported MSW that is not recycled or composted. Section 8 would also increase the fee at instate waste-to-energy facilities to \$3.00 per ton. Making these changes to the solid waste assessment would align Connecticut with other states, both in terms of the level of the fee and

how the revenues are used. When coupled with the other provisions in this bill, most notably EPR for Packaging and increased waste diversion, the cost savings to municipalities will far outpace potential additional costs. This assessment will generate revenue to support the Sustainable Materials Management Account, which would be a transformative investment in the education, technical assistance, capacity building, future infrastructure investments for waste management and recycling programs tailored to the needs of communities across Connecticut.

Working with Municipalities to Enable Strategic Investment in Waste Infrastructure to Manage the Remaining MSW Tonnage

Implementing the two Diversion Strategies above would reduce the self-sufficiency deficit from 860,000 tons per year to 485,000 tons per year. That remaining deficit is still substantial. It can only be closed by creating additional waste disposal infrastructure in Connecticut, additional diversion or source reduction, or a combination of both. Constructing new disposal infrastructure should be a "last resort" for self-sufficiency, only after affordable, scalable options for waste reduction and diversion have been maximized. Investment in such facilities should embrace innovative technologies that advance sustainable waste management, at appropriate sites that do not increase burdens on environmental justice communities.

Historically, the development of these facilities has been supported by a combination of multi-year tip fee and energy offtake agreements, facilitated by groups of municipalities working together as Regional Waste Authorities. DEEP recently announced two other initiatives – a grant round for municipalities or regions that need technical assistance in creating Regional Waste Authorities (RWAs) and a Request for Information from developers and stakeholders regarding materials management infrastructure, including disposal infrastructure, recycling infrastructure, and composting infrastructure. Building on the work of the legislative Solid Waste Management Working Group convened pursuant to Special Act 22-11, this RFI can give the state a further understanding of appropriate technologies and solutions for disposal, recycling, and organics infrastructure for future investment.

To support these two initiatives, Section 3 of this bill authorizes DEEP to partner with municipalities or regions to facilitate a request for proposals from providers of existing or proposed solid waste and materials management infrastructure. Importantly, in this provision, DEEP would only engage in these activities as a facilitator, and with the consent of participating municipalities. DEEP would then work with local and regional stakeholders to identify the most cost effective, environmentally sound, and feasible infrastructure solutions to address the remaining self-sufficiency deficit.

Establishing a Clear Commitment and Path Forward for MIRA

For decades, MIRA has been an essential part of Connecticut's waste management with transfer stations, landfills, and Waste to Energy facilities across the state. Rising tip fees and capital infrastructure costs have created an untenable situation for the organization with members

needing to find alternatives. In particular, the Hartford South Meadows site hosted MIRA's waste-to-energy facility, providing benefits for the entire state in terms of maintaining a centrally-located waste disposal option and contributing to a self-sufficient waste disposal system for the state. It closed in July of 2021. This site, and several other MIRA sites, are located in environmental justice communities. Sections 10-17 of the bill would reconstitute the MIRA Board into the Connecticut Waste Authority by establishing a new board of directors, maintain existing services unless other options are arranged (including transfer stations, landfills, the Bridgeport WTE site, among others), and wind down organizational operations and activities in an orderly and responsible manner. The Connecticut Waste Authority will also oversee cleanup efforts at the South Meadows site and prepare for the eventual redevelopment of the site.

Thank you for the opportunity to present testimony on this proposal. Should you have any questions, please do not hesitate to contact Harrison Nantz at Harrison.Nantz@ct.gov.